

Message Text

CONFIDENTIAL

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 OMB-01 PA-01 PRS-01 /052 W
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FM AMCONGEN PALERMO
TO SECSTATE WASHDC 2017
INFO AMEMBASSY ROME

C O N F I D E N T I A L PALERMO 0169

E.O. 11652: GDS
TAGS: PINT, IT, EFIN, EIND
SUBJECT: MORE ON THE BANK OF SICILY

REF: PALERMO 154
ROME 3077

1. ON MARCH 14, I TALKED WITH ON. GIUSEPPE LA LOGGIA, PRESIDENT OF THE CHAMBER'S FINANCE COMMITTEE, AND FRONT-RUNNER FOR THE PRESIDENCY OF THE BANK OF SICILY. CONCERNING LATTER CANDIDACY, LA LOGGIA SIAD HE THOUGHT FINAL DECISION WAS STILL IN DISTANT OFFING GIVEN OTHER PROBLEMS GOVERNMENT NOW FACES. IN ADDITION TO BANK OF SICILY, PRESIDENCIES OF ISVEIMER, OTHER NATIONAL BANKS INCLUDING MONTE DEI PASCHI DI SIENA AND FIFTY-ONE PROVINCIAL SAVINGS BANKS MUST ALSO BE FILLED. LA LOGGIA NOTED HIGH POLITICAL CONTENT IN ALL THESE ASSIGNMENTS AND SUGGESTED THEY MIGHT REQUIRE MORE POLITICAL SUPPORT AND COHESION THAN GOVERNMENT NOW HAS.

2. LA LOGGIA SAID HIS PARILIAMENTARY COMMISSION IS CURRENTLY DRAFTING LEGISLATION THAT WOULD RELIEVE COMMERCIAL AND INDUSTRIAL BORROWERS WHO ARE NOW PAYING HIGH, SHORT-TERM INTEREST RATES FOR CREDIT WHICH THEY CAN AFFORD TO REPAY OVER PERIODS NORMALLY RESERVED ONLY TO MEDIUM-TERM CREDIT: FIRMS ARE, THEREFORE, CONFIDENTIAL

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STRAINED BY BORROWING AT INTEREST RATES NEIGHBORING TWENTY PERCENT, MONEY WHICH THEY ARE ABLE TO REPAY ONLY OVER A TEN-YEAR PERIOD. RELIEF ENVISIONED BY LA LOGGIA'S COMMISSION WOULD REDUCE INTEREST RATES FOR SUCH REPAYMENTS TO LOWER INTEREST RATES NORMALLY CHARGED FOR MEDIUM-TERM CREDIT, I.E., CA. TEN PERCENT RATHER THAN HIGHER SHORT-TERM RATES ON WHICH BANKS HAVE BEEN INSISTING.

3. LA LOGGIA NOTED CONTENDING DEMANDS FOR SMALL AMOUNT OF
GOVERNMENT FUNDS AVAILABLE FOR "INDUSTRIAL RESTRUCTURING",
AND SUGGESTED RELIEF FOR NORTHERN INDUSTRY PROVIDED BY ABOVE
LEGISLATION MIGHT REDUCE NORTHERN REQUIREMENTS FOR "RESTRUCTURING"
THEREBY MAKING LARGER AMOUNTS AVAILABLE FOR THE SOUTH.
COLLINGS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPRISALS, BANKS, PERSONNEL APPOINTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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ISecure: 1
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
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Retention: 0
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Subject: MORE ON THE BANK OF SICILY
TAGS: PINT, EFIN, EIND, IT, (BANK OF SICILY)
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